

## Guidance and Requirements

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Program Guidance and Requirements for *Adult Education General Instruction, Institutional, and Integrated English Literacy and Civics Education Applications*  
(Program Year 2021-2022)

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Public Law 113-128 Workforce Innovation and Opportunity Act (WIOA) of 2014  
Title II – Adult Education and Family Literacy Act (AEFLA)

**Effective Date:** July 1, 2021

The “effective date” is the beginning date on which expenditures can be charged to the federal grant.

**Availability of Application:** Grant applications will be available in the Next Generation Grant System (NexSys) on **January 4, 2022**.

**Application Deadline:** Completed applications must be submitted through the NexSys grant system by **11:45pm on February 11, 2022**.

### IMPORTANT INFORMATION FOR ALL APPLICATIONS FOR PY 2021-2022:

- All pages of the NexSys application must be reviewed and completed. **Note:** *No information will be carried forward from the prior year's MEGS+ application to the 2021-2022 NexSys application, and all users will need to be assigned in order to access the application.*
- Changes to the narrative for PY 2021-2022 should be detailed on the [Narrative Template](#) and uploaded in the NexSys application under **Narrative Upload**. The changes should not be made to the original RFA grant application.
- The original PY 2020-2021 RFA grant application should be uploaded as well under **Narrative Upload**.
- Providers that offer Integrated Education and Training (IET) or receive Integrated English Literacy and Civics Education (IELCE) funding must complete and upload an [IET Plan](#) under the **IET Plan upload** in the NexSys application.
- A budget for Program Year (PY) 2021-2022 must be submitted and approved before grant funds will be made available.
- Submission of this application certifies that it has been prepared by, or in cooperation with, the fiscal agency's business office.

Questions regarding the AEFLA applications should be sent to the Office of Adult Education, [WIOA Regional Coordinators](#).

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## Section 1 – Requirements and Expectations

The Michigan Department of Labor and Economic Opportunity, Workforce Development (LEO-WD) is pleased to release grant guidance for the Workforce Innovation and Opportunity Act (WIOA), Title II Adult Education and Family Literacy Act (AEFLA) funding to support adult education and literacy programs. Program Year (PY) 2021-2022 is the second year of a four-year grant cycle that began July 1, 2020 and ends June 30, 2024.

Title II is one of four titles and six core programs under WIOA:

- Title I – Adult, Youth, and Dislocated Worker Programs
- Title II – Adult Education and Family Literacy Program
- Title III – Wagner-Peyser Employment Services
- Title IV – Vocational Rehabilitation Program

The State of Michigan's [Unified State Plan](#) addresses Michigan's overall adult education goals and strategies, encouraging coordination of local service delivery among multiple programs.

As one of six core programs under the WIOA, the AEFLA program plays an integral role in the workforce development system by providing access to educational services for adult learners through the One-Stop delivery system. The program seeks to increase opportunity in the educational and workforce development of adults as workers, parents, and citizens. While playing a critical role in adult attainment of a secondary school diploma, the program also aims to assist in the transition to postsecondary education and training through the use of career pathways.

The AEFLA program provides the following critical services and activities to support adult learners with the goal of improving access to education and training opportunities, as well as to employment:

- ✓ Assist adults to become literate and obtain the knowledge and skills for employment and economic self-sufficiency;
- ✓ Support the educational and skill achievement of parents and family members to participate in the educational development of their children and improve economic opportunities for families;
- ✓ Assist immigrants and English learners in improving their English and math proficiency and understanding of the rights and responsibilities of citizenship;
- ✓ Assist incarcerated individuals in strengthening their knowledge and skills to promote successful re-entry into society; and
- ✓ Support employers by providing workplace literacy and remediation services on-site to upskill current workers.

### **GRANT PURPOSE**

Adult education provides an opportunity for adults with low basic skills to achieve education levels equivalent to those of high school graduates. Adult education offers foundational skill development including math, reading, writing, critical thinking, and digital literacy; and is intended to prepare learners for further education, training, and employment.

Adult education providers should offer a range of programs and services to meet the varying needs of adult learners, including adult basic education (ABE), adult secondary education (ASE), high school completion, high school equivalency, and English as a second language (ESL). These services should be offered in combination with career navigation, workforce preparation activities, and financial literacy so all adult learners have access to academic instruction as well as the life and work skills necessary to obtain family sustaining employment.

Adult education plays a key role in supporting and advancing the Department of Labor and Economic Opportunity's strategic plan and has identified the following five priorities:

1. Expand access to adult education services in Michigan.
2. Ensure equity in the delivery of adult education services.
3. Ensure adult education services are high-quality and utilize best practices and evidence-based research.
4. Build equitable career pathways to high-wage careers and expand access to integrated education and training (IET) programs.
5. Increase the number of adults in Michigan with a secondary credential.

## **SERVICES TO BE PROVIDED**

### General Instruction Program Grant Activities

Grants awarded under Section 231 of AEFLA require that eligible applicants receiving the General Instruction grant **must establish or operate one or more** programs that provide services in one or more of the following categories:

- Adult education, including adult basic education (ABE) and/or adult secondary education (ASE);
- Adult literacy;
- English as a second language (ESL);
- Family literacy activities;
- Integrated education and training (IET);
- Workplace adult education and literacy activities; or
- Workforce preparation activities.

Refer to Section IX for the definition of each allowable activity.

### Institutional Program Grant Activities

Grants awarded under Section 225 of AEFLA for corrections education may only be used for educational programs for criminal offenders in correctional institutions and for other institutionalized individuals, including academic programs for –

- (1) Adult education and literacy activities.
- (2) Special education, as determined by the state office.
- (3) Secondary school credit.
- (4) Integrated education and training.
- (5) Career pathways.
- (6) Concurrent enrollment.
- (7) Peer tutoring.
- (8) Transitions to re-entry initiatives and other post release services with the goal of reducing recidivism.

**In Michigan, General Instruction funds cannot be used to support corrections education services.**

Types of correctional institutions include any prison; jail; reformatory; work farm; detention center; or halfway house, community-based rehabilitation center, or any other similar institution designed for the

confinement or rehabilitation of criminal offenders. The term “criminal offender” means any individual who is charged with or convicted of any criminal offense. (Section 225 of AEFLA)

Assistance provided under AEFLA Section 225 to carry out a program for criminal offenders in a correctional institution shall give priority to serving individuals who are likely to leave the correctional institution within five years of participation in the program.

#### Integrated English Literacy and Civics Education (IELCE) Program Grant Activities

Grants awarded under Section 243 of AEFLA for IELCE may only be used for education services provided to English language learners who are adults, including professionals with degrees or credentials in their native countries, that enable such adults to achieve competency in the English language and acquire the basic and more advanced skills needed to function effectively as parents, workers, and citizens in the United States.

Each eligible provider that receives funding under IELCE (Section 243) must operate a program that is designed to:

- Prepare adults who are English language learners for and place such adults in, unsubsidized employment in in-demand industries and occupations that lead to economic self-sufficiency; and
- Integrate with the local workforce development system and its functions to carry out the activities of the program.

IELCE programs must include instruction in literacy, ESL and civics education, and be provided in combination with IET. Refer to Section III for more information on IET.

### **PARTICIPANT ELIGIBILITY**

Individuals must meet the following criteria to be eligible for adult education and literacy services under AEFLA:

- (A) Attained 16 years of age;
- (B) Not enrolled or required to be enrolled in secondary school under State law; and
- (C) Who--
  - (i) Is basic skills deficient;
  - (ii) Does not have a secondary school diploma or its recognized equivalent, and has not achieved an equivalent level of education; or
  - (iii) Is an English language learner.

An English language learner is defined as an eligible individual who has limited ability in reading, writing, speaking, or comprehending the English language, and

- (A) Whose native language is a language other than English; or
- (B) Who lives in a family or community environment where a language other than English is the dominant language.

## Section II – Provider Requirements

### **ELIGIBLE PROVIDERS**

An organization that has demonstrated effectiveness in providing adult education and literacy activities is eligible for a grant. These organizations may include:

- A local educational agency;

- A community-based organization or faith-based organization;
- A volunteer literacy organization;
- An institution of higher education;
- A public or private nonprofit agency;
- A library;
- A public housing authority;
- A nonprofit institution that is not described in any of these subparagraphs and has the ability to provide literacy services to eligible individuals;
- A consortium or coalition of the agencies, organizations, institutions, libraries, or authorities described in any of the entities listed above; and
- A partnership between an employer and an entity listed above.

For consortia, all members of the consortium must demonstrate past effectiveness including the fiscal agent. Contracted or purchased services to provide additional opportunities or supplemental services for participants, such as tutoring services, are allowable.

## DEMONSTRATED EFFECTIVENESS

An eligible provider must have demonstrated past effectiveness in improving the skills of eligible individuals, including those who have low levels of literacy, in the content domains of reading, writing, mathematics, English language acquisition, and other subject areas relevant to the services identified in Section I, above. An eligible provider must also have provided information regarding its outcomes for participants related to employment, attainment of secondary school diploma or its recognized equivalent, and transition to postsecondary education and training.

WD has defined demonstrated effectiveness as meeting or exceeding at least 50 percent of the federal performance targets. Providers not meeting demonstrated effectiveness will be required to participate in technical assistance and may be subject to the loss of grant funds as determined by the WD.

For a consortium, all consortium members must be determined to be an eligible provider of demonstrated effectiveness in order for the consortium application to be considered for funding. **If any member(s) does not meet the criteria, the full consortium is deemed ineligible.**

## REGIONAL PARTNERSHIPS

The WIOA requires collaboration at all levels – federal, state, and local – and between core programs. The formation of regional partnerships aligns multiple resources to provide comprehensive services to learners. At a minimum, such partnerships should include adult education partners, postsecondary education, vocational rehabilitation, and workforce development agencies. Other valuable partners may include:

- Literacy Councils
- Libraries
- School Districts
- Employers
- Community-based Organizations
- Faith-based Organizations

- Job Training Programs (integrated with occupational training)
- Regional Economic Development Representatives
- Proprietary Schools
- Local Offices of State Government (e.g., Department of Health and Human Services, Vocational Rehabilitation Employment Services, Community Mental Health, Corrections)
- Local Foundations/United Way

While the scope, content, and organization of activities may vary from region to region, priority will be given to those applicants with strong collaborative partnerships as defined above and those that have effective strategies to deal with diverse populations, including those with barriers to employment.

### **ONE-STOP PARTNER REQUIREMENTS**

Per 34 Code of Federal Regulations (CFR) 678.415, WD Office of Adult Education is the required One-Stop partner for Title II and WD delegates that responsibility to one or more adult education providers or a consortium of providers in the region. As such, adult education providers that receive AEFLA funding assume the roles and responsibilities of One-Stop partners, including contributing to infrastructure costs.

Under WIOA, each required partner must:

- a) Provide access to its programs or activities through the One-Stop delivery system, in addition to other appropriate locations; and
- b) Use a portion of local administrative funds to provide applicable career services and work collaboratively with the state and local workforce board to establish and maintain the One-Stop delivery system, which includes jointly funding the One-Stop infrastructure through partner cash, noncash, or third-party contributions.

Infrastructure costs are the responsibility of all One-Stop partners, whether they are physically located in the One-Stop center or not. Each partner's contribution to these costs may vary, as these contributions are to be based on the proportional use and relative benefit received by each program.

Refer to WD [Policy Issuance 17-12](#) for more information on executing infrastructure agreements under the WIOA.

## **Section III – Program Design**

### **ASSESSMENTS**

All recipients of adult education funds must follow the WD [Assessment Policy](#). The WIOA requires assessment procedures to be valid, reliable, and appropriate to determine the effectiveness of instructional activities. The Assessment Policy provides guidelines for:

1. Using the National Reporting System (NRS)/state-approved assessments in a standardized and consistent manner.
2. Placing a participant accurately into appropriate program and instructional level.
3. Obtaining diagnostic information to guide instruction.
4. Determining educational functioning level at intake (pre-test) and at the end of the instructional period (post-test).
5. Training staff and implementation of test security requirements.

All local adult education providers in Michigan must employ proper testing, scoring, and reporting protocols in accordance with the Assessment Policy and publishers' guidelines. All local providers must also establish an assessment policy that outlines assessment process and procedures and is aligned with the WD Assessment Policy. Local assessment policies will be reviewed during monitoring visits.

The following assessments have been determined to:

- Be appropriate for measuring literacy and language development of adult participants.
- Have standardized administration and scoring procedures.
- Have alternate equivalent forms for pre-testing and post-testing.
- Have evidence linking them to NRS educational functioning levels.
- Be NRS approved tests and appropriate forms.

Test Name	ESL	ABE/ASE	HSC	HSE
CASAS GOALS		X	X	X
CASAS	X			
TABE 11/12		X	X	X
TABE CLAS-E	X			

## ADULT LEARNING PLAN

WD requires all adult education providers to maintain the state-approved Adult Learning Plan (ALP) for all adult education participants. The ALP is designed to document information that tracks participant's progress towards goals achievement and enhances the academic performance and economic success of the adult education participant.

The ALP is initiated at intake and utilized for the entire duration of the participant's adult education services across program years.

Refer to the [ALP Policy](#) and technical assistance paper on the WD, [Adult Education website](#) for more information. Providers are encouraged to utilize the online ALP, which is available through the Michigan Adult Education Reporting System (MAERS) Special Functions tab.

## INTEGRATED EDUCATION AND TRAINING

Integrated education and training (IET) is an approach that can help individuals acquire or refresh key basic skills while also pursuing occupation or industry-specific training. There are three required components of an IET program: (1) adult education and literacy activities, (2) workforce preparation activities, and (3) occupational training. The three required components must be provided concurrently and contextually such that –

- (a) Within the overall scope of a particular IET program, the adult education and literacy activities, workforce preparation activities, and workforce training:
  - (1) Are each of sufficient intensity and quality, and based on the most rigorous research available, particularly with respect to improving reading, writing, mathematics, and English proficiency of eligible individuals;
  - (2) Occur simultaneously; and
  - (3) Use occupationally relevant instructional materials.

- (b) The IET program has a single set of learning objectives that identifies specific adult education content, workforce preparation activities, and workforce training competencies, and the program activities are organized to function cooperatively.

For each IET program offered, providers must complete and upload to an IET Plan (IET Syllabus) to the NexSys application. IET programs may be funded with a single funding source or by combining multiple sources to achieve service integration. In Michigan, up to 30 percent of a provider's IELCE grant award can be spent on workforce training. General Instruction and Institutional grant funds cannot be used for workforce training.

Refer to WD [Policy Issuance 18-44](#) for more information on IET program requirements.

## Section IV – Performance Management

### PERFORMANCE MEASURES

WIOA establishes common performance accountability measures across the six core programs. These measures are applicable to federal and state funded programs and must be reported in MAERS. At the end of the program year, WD will review the grantee's performance based on participant progress and the effectiveness of the program that shows continuous improvement in order to optimize the return on investment of federal and state funds for adult education and family literacy activities.

The primary indicators of performance for activities provided under WIOA are:

- I. The percentage of program participants in unsubsidized employment in the 2nd quarter after exit;
- II. The percentage of program participants in unsubsidized employment in the 4th quarter after exit;
- III. Median earnings of program participants who are employed during the 2nd quarter after exit;
- IV. The percentage of program participants who obtain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent (subject to clause (iii))\* during participation in or within one year after exit;
- V. The percentage of program participants achieving measurable skill gains; and
- VI. Effectiveness in serving employers.

*\*Clause (iii) states that program participants who obtain a secondary school diploma or its recognized equivalent shall be counted as meeting the criterion only if, in addition to obtaining diploma or equivalent, they have obtained or retained employment or are in an education or training program leading to a postsecondary credential within one year after exit from the program.*

In the Spring of 2020, WD negotiated state targets with the U.S. Department of Education (USED) for all of the above performance measures, excluding Effectiveness in Serving Employers, for Program Years (PYs) 2020-2021 and 2021-2022. The negotiated targets for each measure are published on the Adult Education [website](#).

Performance Measure	PY 2020-2021 Target	PY 2021-2022 Target
Employed 2 <sup>nd</sup> Quarter After Exit	42%	43%
Employed 4 <sup>th</sup> Quarter After Exit	42%	42%
Median Earnings in 2 <sup>nd</sup> Quarter After Exit	\$4,320	\$4,400
Credential Attainment	40%	40%

Measurable Skill Gain	50%	51%
Effectiveness in Serving Employers	N/A	N/A

## DATA ENTRY REQUIREMENT

The data entry requirement is part of a comprehensive performance accountability system. WD requires that all federal and state funded adult education programs must enter data into MAERS for every adult education participant that registers for services and attends one or more instructional hours.

MAERS was developed to meet the USED data requirements specified in the National Reporting System (NRS) Implementation Guidelines. WD must complete and file a report with the USED every year using MAERS data to fulfill NRS reporting requirements. The final report is due to USED on October 1<sup>st</sup> following the end of the program year.

Per the WD [Data Entry policy](#), data must be entered into MAERS monthly, at a minimum, and no later than the last day of the subsequent month. This includes class functions, registration, daily attendance hours for every participant enrolled in an adult education class, assessments (pre- and post-tests), class enrollment(s), program exits, and follow-up data. Programs must ensure that any information entered into MAERS is accurate and complete.

The deadline for data entry into MAERS is **September 17<sup>th</sup>** following the end of the program year.

Additional information regarding MAERS is available in the [MAERS section](#) of the Adult Education website. The official MAERS website for entering and retrieving data requires prior authorization with an assigned username and password that can be obtained by contacting the Office of Adult Education.

## LOCAL PROGRAM IMPROVEMENT PLANS

At the end of the program year, grantees must analyze their performance data and evaluate their level of performance against the negotiated performance levels for the state. In each area where the local program falls below the state negotiated benchmarks, improvement plans may be required. Continuous improvement is the desired outcome for all levels, even those programs that exceed the state benchmarks. In addition, grantees are expected to monitor performance outcome information and adjust program content and design to continuously improve achievement and performance.

## [Section V – Funding Information](#)

### FUNDING FOR PROGRAM PERIOD - JULY 1, 2021 THROUGH JUNE 30, 2022

Funding for PY 2021-2022 will be determined based on the successful completion of all previous year-end reports; complete data entry and reporting in MAERS; meeting all WD reporting requirements; and meeting all financial and budgetary requirements for federal and/or state funding.

**A separate budget for each fiscal agent and provider is required for each fiscal year.** Changes in program plans, budgets, or funding requirements over the one-year period that are determined to be reasonable and necessary by WD may be requested.

## DISTRIBUTION OF FUNDING

WD allocates the AEFLA funds to eligible fiscal agents statewide that operate collaboratively or in a consortium to deliver services. WD awards on a competitive basis multi-year grants based on the number

of adult education participants estimated to be served and the services to be provided. Recipients will be notified of their official award and the AEFLA allocations are posted on the [Office of Adult Education website](#).

Funding is contingent upon the availability of funds from USED.

WD reserves the right to conduct a subsequent competitive bid process in one or more regions of the state if needed to ensure access to adult education services across the state.

## Section VI – Grant and Financial Management Requirements

### **GRANT REQUIREMENTS**

It is the responsibility of all grantees funded by AEFLA to ensure appropriate stewardship of the federal funds entrusted to them. Under AEFLA and [2 CFR Part 200](#), also called the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, all grantees must maintain financial management systems that provide accurate, complete, and current disclosure of the revenues and expenditures supporting the adult education and family literacy program. To meet this requirement, grantees must have adequate accounting practices and procedures, internal controls, audit processes, and cost allocation procedures in place. Grantees are responsible for managing the day-to-day operations of grant supported activities to assure that all funding requirements of this award are in compliance with applicable federal regulations.

Grantees are required to permit access by WD and auditors to records and financial statements as necessary for WD to comply with requirements of the Uniform Grant Guidance and other applicable laws.

Grantees that materially fail to comply with any term of an award, whether stated in a federal statute or regulation, including those in 2 CFR Part 200, an assurance, the Grant Action Notice (GAN), or elsewhere, the awarding agency may take one or more of the following actions:

1. Temporarily withhold cash payments pending correction of the deficiency by the non-federal entity or more severe enforcement action by the federal awarding agency or pass-through entity.
2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity not in compliance.
3. Wholly or partly suspend or terminate the Federal award.
4. Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and federal award agency regulations (or in the case of a pass-through be initiated by a federal awarding agency).
5. Withhold further federal awards for the project or program.
6. Take other remedies that may be legally available.

### **ACCOUNTING REQUIREMENTS**

The grantee shall adhere to the Generally Accepted Accounting Principles and shall maintain records that will allow, at a minimum, for the comparison of actual outlays with budgeted amounts. The grantees' overall financial management system must ensure effective control over and accountability for all funds received. Accounting records must be supported by source documentation including, but not limited to, balance sheets, general ledgers, time sheets and invoices. The expenditure of state and federal funds shall be reported by line item and compared to the budget.

The grantee may not commingle money received under the WIOA-AEFLA grants with State School Aid Section 107 or from another source for adult education purposes with any other funds of the recipient. The grantee must establish a separate ledger account for each of the following, as applicable: WIOA Instructional, Institutional, IELCE, Local Share and Tuition and Fees, which must be used solely for activities allowed under WIOA.

All WIOA grantees are required to track and report revenue and detailed expenditure information by utilizing the appropriate codes for revenue and expenditures as follows:

Grant Code	CFDA	Account Name/Description
671	84.002	WIOA - Adult Basic Education – Instruction
674	84.002	WIOA - Adult Basic Education – EL Integrated English Literacy/IELCE
675	84.002	WIOA - Adult Basic Education – Institutional

## ALLOWABLE COSTS

Under AEFLA and [2 CFR Part 200](#), also called *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, all costs must be allowable, allocable, necessary, and reasonable for the performance of the federal award, and legal under state and local law.

Vocational and technical education courses taken by adult participants to fulfill the local requirements for high school completion or that satisfy adult basic education programming requirements are allowable. (Funds may not be used to support regular state funded K-12 participants or K-12 alternative participants.)

The grantee's staff may only be paid with federal grant funds if the adult education program is operating and instruction is being provided to eligible participants. The grantee must maintain appropriate records and cost documentation as required by 2 CFR § 200.302 (financial management), 2 CFR § 200.430(i) (standards for documenting personnel expenses), and 2 CFR § 200.333 (retention requirements for records) to substantiate the charging of any compensation costs related to services. For any full or part time staff whose contract has lapsed or ended, the agency/district's financial obligation to the staff/instructor ended when the contract ended.

It is the expectation of WD that the AEFLA funds are primarily used for instruction and program costs. Adult education providers are expected to operate cost-effective programs, and budgets should be detailed and transparent. Fiscal agents and providers must have on file appropriate documentation to support expenditures.

## UNALLOWABLE COSTS

AEFLA funds **cannot** be used to support the costs of a high school equivalency (HSE) test administrator/proctor, HSE tests, and any other costs associated with this activity.

Any costs that are general in nature and cannot be directly attributed to the programs being offered for adult education participants are unallowable costs.

## PROGRAM COSTS

Program costs are costs associated with the direct provision of services to program participants. Program activities include, but are not limited to, participant assessment and instruction, classroom supplies and materials, data entry, and counselors and navigators.

## ADMINISTRATIVE COSTS

The costs associated with performing activities or functions that are not related to the direct provision of services to program participants are administrative costs.

Section 233(a)(2) of AEFLA states that not less than 95 percent of the funding received by a local grantee shall be expended for carrying out adult education and family literacy activities and the remaining amount, **not to exceed 5 percent**, shall be used for:

- Planning;
- Administration, including carrying out performance accountability requirements;
- Professional development;
- Providing adult education and literacy services in alignment with local workforce plans, including promoting co-enrollment in programs and activities under Title I, as appropriate; and
- Carrying out the One-Stop partner responsibilities, including contributing to the infrastructure costs of the One-Stop delivery system.

AEFLA also provides for the “Special Rule” that in cases where the cost limits described above are too restrictive to allow for these activities, the grantee may negotiate with the WD in order to determine an adequate level of funds to be used for non-instructional purposes.

## PROFESSIONAL DEVELOPMENT TRAVEL

Professional development is allowable for staff whose salary and benefits are paid directly by the AEFLA Grant. Professional development must align with the project goals outlined in the approved application and must be directly related with the adult education program.

In-state travel must be included in the NexSys budget and requires prior approval from WD.

Out-of-state travel requires prior approval from WD by completing the Out-of-State Travel Form, including justification for the out-of-state travel, when submitting initial and revised budgets. The rationale indicated in the justification must demonstrate the need to travel out of state, that similar professional development is not offered in the state, and that only a minimal number of staff will attend. All travel must align with the approved project goals outlined in the approved application and the final approved budget.

## BUDGET DEVELOPMENT

Grantees are responsible for developing budgets that accurately reflect the planned activities for the grant period. Only expenditures that support approved grant activities may be budgeted. All costs must be allowable, allocable, necessary, and reasonable for the performance of the federal award, and legal under state and local law. All activities including supplies and materials reported in any AEFLA budget must be clearly defined to assure that all funding requirements of this award are in compliance with applicable federal regulations.

Grantees are required to follow a standard chart of accounts, generally accepted accounting principles, and governmental accounting standards. The Standard Chart of Accounts can be found in the Michigan Public School Accounting Manual. Budget technical assistance documents are located in the NexSys application.

The completed application and budget **must be approved by WD in NexSys** before the Grant Award Notice (GAN) is made available. All funded activities must be within AEFLA guidelines, allowable and necessary for the performance of the award.

## BUDGET AMENDMENTS

Any amendment to the approved budget must be within AEFLA guidelines. Grantees are required to request application amendments for any new activity or any change in **a line item that exceeds 10 percent** of the original approved amount. Amendments must be submitted and approved in NexSys before dollars can be expended for new projects or activities. Detailed justification must be provided in NexSys for the requested amendment. Grantees **must request prior approval actions at least 30 days** prior to the effective date of the requested action.

Final budget amendments are due by **May 13, 2022**.

WD reserves the right to approve or deny any cost item and to determine if a cost item is allowable, allocable, reasonable, and necessary.

## OTHER LOCAL FUNDS

AEFLA funds are supplemental funds and thus cannot be the sole funding source supporting an adult education program. Applicants that do not receive State School Aid Section 107 funds **must** identify the other local funds that currently support each adult education program.

Districts should not report State Aid Section 107 funds as other local in the AEFLA NexSys applications.

Local funds reported cannot be other funds that the applicant receives that are used to match another federal grant.

- All expenditures identified as local funds must be for the direct support of the adult program activities.
- Only expenditures that support approved adult education grant activities may be budgeted.
- All activities reported in the Local Funds budget must be clearly defined to assure that all funding requirements of this award are in compliance with applicable federal regulations.
- Rent may be included and is based on the fair market rental rate in the program area. This applies when the property is used as space to support adult education program activities. Documentation of an appraisal of fair market rental rate for the area is required.
- Documentation must be maintained and is required to identify the source of support. Common instances of this requirement include an appraisal of fair market rental rate for the area, salaries, and utilities.

## PROGRAM INCOME (TUITION AND FEES)

Grantees charging reasonable and necessary tuition or fees to participants must use that income to provide additional adult education and literacy services that it would otherwise be unable to provide. Program income from tuition and fees must be (1) governed by the terms of the agreement between the state and the local grantee to which the state provides federal funds; (2) accounted for in program records; and (3) used only for costs allowable under AEFLA.

WD must ensure that fees charged to participants in an adult education program that receives federal support are equitably administered and do not reach levels that have an adverse effect and impose a barrier on the participation of economically disadvantaged participants.

Grantees that charge tuition and fees are required to complete a **Tuition and Fees budget** in the AEFLA NexSys applications. Providers must report the actual revenue and expenditures in the **Tuition and Fees Expenditure Report** located in the 2021-2022 WIOA Final Narrative Report.

Program Income from tuition and fees must be fully expended in the program year it was received and may not be deferred to subsequent years.

Grantees must report the actual revenue and expenditures of **Infrastructure Costs** and are required to complete the **Infrastructure Cost Budget** located in the 2021-2022 WIOA Final Narrative Report.

## CASH MANAGEMENT

Grantees must **request federal funds on an accrual basis at least quarterly** in the NexSys Cash Management System (CMS) and may not request funds that exceed their needs for three days cash on hand.

## EXPENDITURES

All expenditures must fall under the line items identified in the budget. Expenses must pertain to a specific line item in order to be considered for reimbursement. All expenditures must be allowable, as delineated in each grant proposal. Any program expenditure deemed not allowable may not be claimed for reimbursement and will be at the expense of the grant recipient.

## INTERNAL CONTROLS

Under 2 CFR Part 200, all federal subrecipients must have internal control processes by which their organization assures operational objectives are achieved efficiently, effectively, and with reliable, compliant reporting. Segregation of duties is an internal control process designed to prevent error and fraud by ensuring, that at a minimum, two individuals are responsible for the separate parts of any task.

## PROCUREMENT

Prior to purchasing services from any contractor, **grantees are required to follow federal procurement standards** consistent with [2 CFR 200.317 to 200.326](#). Also refer to WD [Policy Issuance 19-30](#) regarding Procurement.

## PURCHASE OF EQUIPMENT

The purchase of **all equipment** must have prior written approval of the WD and must be in line with the goals and objectives of the AEFLA grant. Grantees **must request prior approval for the purchase of equipment at least 30 days prior** to the requested action.

Equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost of \$5,000 or more. Such equipment shall be retained by the Grantee unless otherwise specified at the time of approval. AEFLA funds **may not** be used to acquire equipment, including computer software, in any instance in which such acquisitions results in a direct financial benefit to any organization representing the interests of the purchasing entity or its employees or any affiliate of such an organization.

## RECORD RETENTION

Grantees are required to permit access by WD and auditors to records and financial statements as necessary for WD to comply with requirements of the Uniform Grant Guidance and other applicable laws. According to [2 CFR Part 200 Subpart D](#), grantees shall retain all financial records, supporting documents,

statistical records, and all other pertinent records for a period of three (3) years from the date of submission of the final expenditure report. If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

## **SUPPLEMENT NOT SUPPLANT**

AEFLA funds made available for adult education and literacy activities shall supplement (ie: add to enhance, expand, increase, or extend) and not supplant other state or local public funds expended for adult education and literacy activities.

## **TANGIBLE PERSONAL PROPERTY**

2 CFR Part 200 requires written policies and procedures to demonstrate internal controls which provides safeguards against loss or unauthorized use or disposition. Grantees are required to track tangible personal property purchased with federal funds to demonstrate there has been an allocable benefit to the adult education program. Tangible personal property includes computing devices, supplies, and information technology systems. The tracking mechanism must include at a minimum: the item, serial number (or other identification number), funding source, location, and disposition.

## **Section VII – Final Reporting Requirements**

### **FINAL EXPENDITURE AND NARRATIVE REPORTING REQUIREMENTS**

**AEFLA Instructional, Institutional, IELCE Final Expenditure Reports (FER)** certifying and reporting actual AEFLA expenditures must be completed and submitted in the CMS no later than 60 days after the end of the program year, or **August 29, 2022**. Failure to complete the FER correctly by the required due date will result in the recovery of funds by WD.

**Local Funds FER** certifying and reporting actual Local Funds expenditures must be completed and submitted in the CMS no later than 60 days after the end of the program year, or **August 29, 2022**. Failure to complete the FER correctly by the required due date will result in the recovery of funds by WD.

**AEFLA Instructional, Institutional, IELCE Final Narrative Reports** and program summary for the grant year must be completed and submitted in NexSys no later than **October 31, 2022**.

**Tuition and Fees Final Expenditure Report** certifying and reporting actual Tuition and Fees expenditures must be completed and submitted the grant within the Final Narrative Report in NexSys no later than **October 31, 2022**. *NOTE: Program income from tuition and fees must be fully expended in the program year it was received and may not be deferred to subsequent years.*

**AEFLA One-Stop Infrastructure Agreement (IFA) Costs Final Expenditure Report** certifying and reporting actual AEFLA IFA expenditures must be completed and submitted within the Final Narrative Report in NexSys no later than **October 31, 2022**.

### **SINGLE AUDIT REPORTING REQUIREMENTS**

Per 2 CFR Part 200 Subpart F, any recipient of **\$750,000 or more in federal funds** during the fiscal year must have a single audit and the audit [must be submitted to the Federal Audit Clearinghouse](#).

In Michigan, grantees that are school districts must forward a copy of their single audit to the Michigan Department of Education, Office of Financial Management Audits. Non-school district grantees that expend \$750,000 or more in total federal awards during the fiscal year must forward a copy

of their Single Audit report covering the grant period to WD Office of Adult Education within nine months of the close of the fiscal year.

## Section VIII – Program Monitoring and Evaluation

WD is required to monitor providers to ensure that adult education programs receiving federal and state adult education funding comply with applicable federal and state rules and regulations. This includes but is not limited to financial management, ensuring equitable access, administering assessments, data collection and reporting, and securing personal information. All recipients of adult education funds are responsible for managing the day-to-day operations of grant activities to assure that the program is in compliance with federal and state requirements.

The process for monitoring and evaluating adult education programs focuses on four areas:

1. Regulatory Compliance and Financial Management  
Providers are responsible for managing the day-to-day operations of grant activities such as financial management, internal controls, ensuring equitable access, data collection and reporting, and policies and procedures.
2. Risk Assessment  
States are required to assess provider risk as part of the program monitoring process. A risk assessment evaluates the potential of an eligible provider to not fulfill its responsibility as an AEFLA funded provider. The risk assessment includes evaluating such risk factors as financial stability, quality of management systems (such as financial management, data management, assessment management), and performance history.
3. Provider Effectiveness  
Providers are responsible for collecting data that will be used to evaluate their effectiveness in enabling their participants to make educational gains, earn workforce credentials, and obtain and retain employment. Providers will be expected to meet federal negotiated targets. (See *Section IV – Performance Management*.)
4. Program Improvement  
WD process for monitoring and evaluating eligible providers is to determine the level of the provider's regulatory compliance, potential for risk, and effectiveness in delivering instructional and career services. Monitoring and evaluating these three crucial areas support the State's effort to provide quality adult education and literacy services.

The Monitoring and Evaluation process is based on two major activities conducted throughout the grant cycle:

- A desk review of data and information entered by each eligible provider in the CMS, NexSys, and MAERS systems.
- A monitoring on-site review and if necessary, follow-up site reviews.

## Section IX – Important WIOA-AEFLA Definitions

### Adult Education – Section 203(1)

The term “**adult education**” means academic instruction and education services below the postsecondary level that increase an individual's ability to –

- (A) Read, write, and speak in English and perform mathematics or other activities necessary for the attainment of a secondary school diploma or its equivalent;
- (B) Transition to postsecondary education and training; and
- (C) Obtain employment.

**Adult Education and Literacy Activities** – Section 203(2)

The term “**adult education and literacy activities**” means programs, activities, and services that include adult education, literacy, workplace adult education and literacy activities, family literacy activities, English language acquisition activities, integrated English literacy and civics education, workforce preparation activities, or integrated education and training.

**Career Pathway** – Section 3(7)

The term “**career pathway**” means a combination of rigorous and high-quality education, training, and other services that -

- (A) Aligns with the skill needs of industries in the economy of the State or regional economy involved;
- (B) Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships;
- (C) Includes counseling to support an individual in achieving the individual's education and career goals;
- (D) Includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
- (E) Organizes education, training, and other services to meet the needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;
- (F) Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least one recognized postsecondary credential; and
- (G) Helps an individual enter or advance within a specific occupation or occupational cluster.

**Correctional Institution** – Section 225(e)(1)

The term “correctional institution” means any-

- (A) Prison;
- (B) Jail;
- (C) Reformatory;
- (D) Work farm;
- (E) Detention center; or
- (F) Halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.

**Criminal Offender** – Section 225(e)(2)

A “**criminal offender**” is any individual who is charged with or convicted of any criminal offense.

**Eligible Individual** – Section 203(4)

The term “**eligible individual**” means an individual—

- (A) Who has attained 16 years of age;
- (B) Who is not enrolled or required to be enrolled in secondary school under State law; and
- (C) Who--
  - (i) Is basic skills deficient;

- (ii) Does not have a secondary school diploma or its recognized equivalent, and has not achieved an equivalent level of education; or
- (iii) Is an English language learner.

**Eligible Provider** – Section 203(5)

The term “eligible provider” means an organization that has demonstrated effectiveness in providing adult education and literacy activities that may include-

- (A) A local educational agency;
- (B) A community-based organization or faith-based organization;
- (C) A volunteer literacy organization;
- (D) An institution of higher education;
- (E) A public or private nonprofit agency;
- (F) A library;
- (G) A public housing authority;
- (H) A nonprofit institution that is not described in any of the subparagraphs (A) through (G) and has the ability to provide adult education and literacy activities to eligible individuals;
- (I) A consortium or coalition of the agencies, organizations, institutions, libraries, or authorities described in any of the subparagraphs (A) through (H); and
- (J) A partnership between an employer and an entity described in any of the subparagraphs (A) through (I).

**English Language Acquisition Program** – Section 203(6)

The term “English language acquisition program” means a program of instruction--

- (A) Designed to help eligible individuals who are English language learners achieve competence in reading, writing, speaking, and comprehension of the English language; and
- (B) That leads to--
  - (i) (I) Attainment of a secondary school diploma or its recognized equivalent; and
  - (II) Transition to postsecondary education and training; or
  - (ii) Employment.

**English Language Learner** – Section 203(7)

The term “English language learner” when used with respect to an eligible individual means an eligible individual who has limited ability in reading, writing, speaking, or comprehending the English language, and--

- (A) Whose native language is a language other than English; or
- (B) Who lives in a family or community environment where a language other than English is the dominant language.

**Family Literacy Activities** – Section 203(9)

The term “family literacy activities” means activities that are of sufficient intensity and quality, to make sustainable improvements in the economic prospects for a family and that better enable parents or family members to support their children’s learning needs, and that integrate all of the following activities:

- (A) Parent or family adult education and literacy activities that lead to readiness for postsecondary education or training, career advancement and economic self-sufficiency.

- (B) Interactive literacy activities between parents or family members and their children.
- (C) Training for parents or family members regarding how to be the primary teacher for their children and full partners in the education of their children.
- (D) An age-appropriate education to prepare children for success in school and life experiences.

**Michigan regulations require that funds used under this category must be used for the education of the parents in the Family Literacy Program that are placed in the appropriate educational functioning level determined by the approved assessment test and reported in MAERS.**

**Integrated Education and Training** – *Section 203(11)*

The term “**integrated education and training**” means a service approach that provides adult education and literacy activities concurrently and contextually with workforce preparation activities and workforce training for a specific occupation or occupational cluster for the purpose of educational and career advancement.

**Integrated English Literacy and Civics Education** – *Section 203(12)*

The term “**integrated English literacy and civics education**” means education services provided to English language learners who are adults, including professionals with degrees and credentials in their native countries that enables such adults to achieve competency in the English language and acquire the basic and more advanced skills needed to function effectively as parents, workers, and citizens in the United States. Such services shall include instruction in literacy and English language acquisition and instruction on the rights and responsibilities of citizenship and civic participation and may include workforce training.

**Literacy** – *Section 203(13)*

The term “**literacy**” means an individual’s ability to read, write, and speak in English, compute, and solve problems, at levels of proficiency necessary to function on the job, in the family of the individual, and in society.

**Workplace Adult Education and Literacy Activities** – *Section 203(16)*

The term “**workplace adult education and literacy activities**” means adult education and literacy activities offered by an eligible provider in collaboration with an employer or employee organization at a workplace or an off-site location that is designed to improve the productivity of the workforce.

**Workforce Preparation Activities** – *Section 203(17)*

The term “**workforce preparation activities**” means activities, programs, or services designed to help an individual acquire a combination of basic academic skills, critical thinking skills, digital literacy skills, and self-management skills, including competencies in utilizing resources, using information, working with others, understanding systems, and obtaining skills necessary for successful transition into and completion of postsecondary education or training, or employment.